

INDEX GUIDELINE

SOLACTIVE INSIGNIA GLOBAL ESG RC 10% INDEX
&
SOLACTIVE INSIGNIA GLOBAL ESG INDEX

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INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive Insignia Global ESG RC 10% Index (the “INDEX”) and the Solactive Insignia Global ESG Index (the “EQUITY INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 5.5. The INDEX and the EQUITY INDEX are owned, calculated, administered and published by Solactive AG (“SOLACTIVE”) assuming the role as administrator (the “INDEX ADMINISTRATOR”) under the Regulation (EU) 2016/1011 (the “BENCHMARK REGULATION” or “BMR”). The name “Solactive” is trademarked.

The text uses defined terms which are formatted with “SMALL CAPS”. Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX and EQUITY INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX and EQUITY INDEX nor the level of both the INDEX and EQUITY INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX and EQUITY INDEX. The publication of both the INDEX and EQUITY INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX and EQUITY INDEX.



1. INDEX SPECIFICATIONS

1.1. SCOPE OF THE INDEX

Category	Description
Asset Class	Equity
Strategy	Representation of securities from the Developed Markets universe screened for ESG compliance and selected using a best in class approach to additionally remove ESG laggards within each sector, weighted using a signal based and sector weighted approach while applying a volatility target layer on top.
Regional Allocation	Global
Volatility Target	10%
Reference Rate	Euro short-term rate (€STR)

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive Insignia Global ESG RC 10% Index	DE000SL0KJ19	EUR	NTR*/TR*	.SOGESGRC	SOGESGRC Index

The EQUITY INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive Insignia Global ESG Index PR	DE000SL0LKF9	EUR	PR	.SOLIGESP	
Solactive Insignia Global ESG Index NTR	DE000SL0LKG7	EUR	NTR	.SOLIGESN	SOLIGESN Index
Solactive Insignia Global ESG Index TR	DE000SL0LKH5	EUR	GTR	.SOLIGEST	

PR, NTR, GTR means that the Index is calculated as price return, net total return, gross total return Index as described in the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/> TR means the volatility control index is calculated as total return.

The INDEX and the EQUITY INDEX are published on the website of the INDEX ADMINISTRATOR (www.solactive.com) and is, in addition, available via the price marketing services of Boerse



Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX and EQUITY INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX AND EQUITY INDEX

The initial level on the START DATE of the INDEX is 100 and of the EQUITY INDEX is 1000. Historical values from the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX and EQUITY INDEX published for a period prior to the LIVE DATE have been back-tested.

1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 9:00 a.m. to 10:54 p.m. CET based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. The level of the EQUITY INDEX is calculated on each CALCULATION DAY from 9:00 a.m. to 10:50 p.m. CET based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (“ICE”) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 4pm London time WM Fixing quoted by Refinitiv. If there is no 4pm London time WM Fixing for the relevant CALCULATION DAY, the last available 4pm London time WM Fixing will be used for the closing level calculation.

1.5. LICENSING

Licenses to use the INDEX and the EQUITY INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by SOLACTIVE.



2. CALCULATION OF THE INDEX

2.1. INDEX FORMULA

The level of the INDEX is (i) calculated based on the level of the EQUITY INDEX, which performs as a Net Total Return and is (ii) adjusted with a volatility target formula of 10%.

The level of the INDEX is calculated according to the following formula:

$$Index_t = Index_{t-1} * \left(1 + exp_{t-1} * \left(\frac{Equity_t}{Equity_{t-1}} - 1 \right) + (1 - exp_{t-1}) * rate_{t-1} * \frac{DC_{t,t-1}}{360} - |exp_t - exp_{t-1}| * RC \right)$$

On the Start Date $Index_t = 100$

Where:

$Index_t$: The level of the INDEX as of CALCULATION DAY t.

$Index_{t-1}$: The level of the INDEX as of CALCULATION DAY t-1.

exp_{t-1} : The exposure as of CALCULATION DAY t-1

$Equity_t$: Means the closing level of the EQUITY INDEX in respect of CALCULATION DAY y t

$Equity_{t-1}$: Means the closing level of the EQUITY INDEX in respect of the CALCULATION DAY immediately preceding CALCULATION DAY t

$rate_{t-1}$: The latest available level of the REFERENCE RATE expressed in % as of CALCULATION DAY t-1.

$DC_{t,t-1}$: The number of calendar days between CALCULATION DAY t (including) and CALCULATION DAY t-1 (excluding),

RC : The Rebalancing Cost of .05%.

The exposure as of CALCULATION DAY t (following the index start date) is calculated according to the following:

If:

$$abs\left(\frac{exp_{t-1} - target_exp_t}{exp_{t-1}}\right) > 5\%$$

then:

$$exp_t = target_exp_t$$

Else:



$$exp_t = exp_{t-1}$$

On the index start date:

$$exp_t = target_exp_t$$

The target exposure as of CALCULATION DAY t is calculated according to the following:

$$target_exp_t = \min(maxExp, targetVol/realizedVol_{t-2})$$

Where:

maxExp: The maximum exposure, which equals 100%.

targetVol: The level of the target volatility of 10%.

realizedVol_{t-1}: The realized volatility as of CALCULATION DAY t-1.

The realized volatility as of CALCULATION DAY t is calculated according to the following:

$$realizedVol_t = \max(Vol20d_t, Vol80d_t)$$

Where:

Vol20d_t: The 20 day volatility as of CALCULATION DAY t.

Vol80d_t: The 80 day volatility as of CALCULATION DAY t.

The n-day volatility (where n = 20 or n = 80) is calculated according to:

$$Volnd_t = \sqrt{\frac{252}{n-1} * \sum_{i=0}^{n-1} \left(\ln \left(\frac{Equity_{t-i}}{Equity_{t-i-1}} \right) - \frac{1}{n} \sum_{j=0}^{n-1} \left(\ln \frac{Equity_{t-j}}{Equity_{t-j-1}} \right) \right)^2}$$

Where:

Equity_t: Has the definition specified in the beginning of section 2.1

2.2. ACCURACY

The level of the INDEX will be rounded to 2 decimal places.

2.3. RECALCULATION

SOLACTIVE makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for a variety of reasons (internal or external) and therefore, cannot be completely ruled out. SOLACTIVE endeavors to correct



all errors that have been identified within a reasonable period of time. The understanding of “a reasonable period of time” as well as the general measures to be taken are generally dependent on the INDEX COMPONENT and are specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

2.4. MARKET DISRUPTION

In periods of market stress SOLACTIVE calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.



3. EQUITY AND BASE INDEX

3.1. EQUITY INDEX SELECTION

On each SELECTION DAY, the INDEX ADMINISTRATOR will revise the composition of the EQUITY INDEX.

In a first step, the INDEX ADMINISTRATOR determines the EQUITY INDEX UNIVERSE in accordance with Section 3.2. The EQUITY INDEX UNIVERSE comprises all those financial instruments which fulfill the EQUITY INDEX UNIVERSE REQUIREMENTS (as specified in Section 3.2) and will constitute a starting pool from which the components of the EQUITY INDEX will be selected. Based on this EQUITY INDEX UNIVERSE, the new composition of the EQUITY INDEX will be determined by applying the rules outlined in Section 3.5.

Each new EQUITY INDEX COMPONENT will be assigned a weight as described in Section 3.6.

3.2. EQUITY UNIVERSE REQUIREMENTS

The EQUITY INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements

(the “EQUITY INDEX UNIVERSE REQUIREMENTS”):

- Is a GBS INDEX COMPONENT of the Solactive GBS Developed Markets Large & Mid Cap USD Index PR (ISIN: DE000SLA41B6), on a SELECTION DAY.
- Is not listed on an EXCHANGE in Israel.

The determination of the EQUITY INDEX UNIVERSE is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decisions.

3.3. SELECTION OF THE BASE PORTFOLIO

Based on the EQUITY INDEX UNIVERSE, the initial composition of the “BASE PORTFOLIO” as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the “BASE PORTFOLIO REQUIREMENTS”):

In a first step, all companies in the EQUITY INDEX UNIVERSE are evaluated based on the criteria outlined in the table below. Companies with missing data points for either metric are excluded. The evaluation is based on data provided by the DATA PROVIDER:

Filter	Detail	Commentary
Overall ESG Rating	ESG Risk Score	Remove all companies of the EQUITY INDEX UNIVERSE ranked in the bottom 50% of each SECTOR by ESG RISK SCORE (best-in-class ranking).
Norm-Based Research	Environment	
	Human Rights	



	Corruption	Remove companies classified as Non-Compliant with UNGC principles and related international norms and standards.
	Labour Rights	
Controversy	Existing controversies in issues such as operations and employee incidents, human rights, business ethics and water use	Remove companies in the Severe and High Controversy category.
Controversial Weapons	Anti-Personnel Mines	Remove companies with any detectable involvement in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.
	Biological and Chemical Weapons	
	Cluster Weapons	
	Depleted Uranium	
	Nuclear Weapons	
	White Phosphorus	
Tobacco	Tobacco Products Production	Remove companies deriving more than 5% of its revenues from the manufacturing of tobacco products.
	Tobacco Products Retail	Remove companies deriving more than 5% of its revenues from the distribution and/or retail sale of tobacco products.
Thermal Coal	Thermal Coal Extraction	Remove companies deriving more than 10% of its revenues from thermal coal extraction.
	Thermal Coal Power Generation	Remove companies deriving more than 10% of its revenues from generating electricity from thermal coal
Small Arms	Small Arms Production	Remove companies deriving more than 10% of its revenues the manufacturing and sale of assault weapons to civilian customers.
Military Contracting	Military Weapon Systems	Remove companies deriving more than 10% of its revenues from the manufacturing of military weapon systems and/or integral, tailor-made components of these weapons.

In a second step, all securities with a 3-month AVERAGE DAILY VALUE TRADED of below USD 1 million or FREE FLOAT MARKET CAPITALIZATION of below USD 1 billion are removed from the BASE PORTFOLIO COMPONENTS. In case multiple listings from the same issuer are eligible BASE PORTFOLIO COMPONENTS, only the listing with the higher 3-month AVERAGE DAILY VALUE TRADED is eligible for inclusion in the BASE PORTFOLIO.

The selection of the BASE PORTFOLIO is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.

3.4. WEIGHTING OF THE BASE PORTFOLIO

On each SELECTION DAY each BASE PORTFOLIO COMPONENT is assigned a weight according to modified FREE FLOAT MARKET CAPITALIZATION. In this iterative process the FREE FLOAT MARKET CAPITALIZATION weights are used as the starting weight and are adjusted subject to the below constraints:



- Maximum absolute SECTOR deviation of the BASE PORTFOLIO is capped at 1% compared to the SECTOR weights of the EQUITY INDEX UNIVERSE.
- Weights of the BASE PORTFOLIO are capped at the minimum of 5% and 10% of their HOLDING LIQUIDITY.

In case an BASE PORTFOLIO COMPONENT is in violation of one or several constraints, the weights are redistributed pro rata to the BASE PORTFOLIO not bound by constraints. This is repeated until all constraints are met.

3.5. SELECTION OF THE EQUITY INDEX COMPONENTS

Based on the BASE PORTFOLIO, the initial composition of the EQUITY INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the "EQUITY INDEX COMPONENT REQUIREMENTS"):

For each security from the BASE PORTFOLIO, 8 signals are calculated for each security:

- s_1 : if the stock price is above its 200 day moving average then $s_1 = 1$,
otherwise $s_1 = 0$
- s_2 : if the stock price is above its 50 day moving average then $s_2 = 1$,
otherwise $s_2 = 0$
- s_3 : if the security's 1 month performance is above the 1 month PERFORMANCE OF THE BASE PORTFOLIO then $s_3 = 1$, otherwise $s_3 = 0$
- s_4 : if the security's 3 month performance is above the 3 month PERFORMANCE OF THE BASE PORTFOLIO then $s_4 = 1$, otherwise $s_4 = 0$
- s_5 : if the $FEPS_{t-1}$ change is positive then $s_5 = 1$, otherwise $s_5 = 0$
- s_6 : if the $FEPS_{t-3}$ change is positive then $s_6 = 1$, otherwise $s_6 = 0$
- s_7 : if the $FEPS_{t-6}$ change is positive then $s_7 = 1$, otherwise $s_7 = 0$
- s_8 : if the security's EARNING YIELD / AVERAGE EARNING YIELD - 1 is positive then $s_8 = 1$,
otherwise $s_8 = 0$

Where:

$$FEPS_{t-n} \text{ change} = \frac{FEPS_t - FEPS_{t-n}}{FEPS_{t-n}}$$

$FEPS_t$ the forecasted earnings per share for the current unreported fiscal year at SELECTION DAY t

$FEPS_{t-n}$ the forecasted earnings per share for the current unreported fiscal year n months before SELECTION DAY t

For each security a signal is calculated by summing the 8 signals above



$$Signal = \sum_{1}^{8} s_i$$

Each SECTOR is attributed a SECTOR score calculated as the sum of each signal multiplied by its weight in the BASE PORTFOLIO divided by the SECTOR's total weight in the BASE PORTFOLIO:

$$Sector\ score_k = \frac{\sum_i^k w_{i,k} * Signal_{i,k}}{\sum_i^k w_{i,k}}$$

Where:

- w_i^k weight of each index security in the BASE PORTFOLIO.
- i each index security in the BASE PORTFOLIO.
- k each SECTOR in the BASE PORTFOLIO.

SECTORS are ranked by highest sector score. In case of equal ranks, the sector with the highest weight allocation in the BASE PORTFOLIO is assigned the higher rank.

The selection of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.

3.6. WEIGHTING OF EQUITY THE INDEX COMPONENTS

On each SELECTION DAY each EQUITY INDEX COMPONENT is assigned a weight according the below process.

- If the security's SECTOR is within the 3 highest ranked SECTORS:
 - o If the SECTOR weight in the BASE PORTFOLIO > 7%, the weight of the EQUITY INDEX COMPONENT is the minimum of 5%; 10% of its HOLDING LIQUIDITY and 1.5x its weight in the BASE PORTFOLIO
 - o If the SECTOR weight in the BASE PORTFOLIO <= 7%, the weight of the EQUITY INDEX COMPONENT is the minimum of 5%; 10% of its HOLDING LIQUIDITY and 2x its weight in the BASE PORTFOLIO
- If the security's SECTOR is within the 3 lowest ranked sectors:
 - o If the SECTOR weight in the BASE PORTFOLIO > 7%, the weight of the EQUITY INDEX COMPONENT is the minimum of 5%; 10% of its HOLDING LIQUIDITY and 0.5x its weight in the BASE PORTFOLIO.
 - o If the SECTOR weight in the BASE PORTFOLIO <= 7%, the EQUITY INDEX COMPONENT is attributed a null weight.
- if the security's SECTOR is not within the 3 highest nor 3 lowest ranked SECTORS, the EQUITY INDEX COMPONENT is attributed its exact weight as in the BASE PORTFOLIO.



As a last step, the individual weights are rescaled to sum up to 100%.



4. REBALANCE

4.1. ORDINARY REBALANCE

In order to reflect the new selection of the EQUITY INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 3.1 and 3.2) the EQUITY INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the weights as determined on the SELECTION DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>.]

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE website under the section “Announcement”, which is available at <https://www.solactive.com/news/announcements/>.

4.2. EXTRAORDINARY REBALANCE

The EQUITY INDEX is not rebalanced extraordinarily.



5. CALCULATION OF THE EQUITY INDEX

5.1. EQUITY INDEX FORMULA

The EQUITY INDEX is calculated as a price return, net total return and gross total return Index.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The standard index formula stipulates that the level of the EQUITY INDEX changes based on the change of the prices of its EQUITY INDEX COMPONENTS taking into account their weight in the EQUITY INDEX and any currency conversion in case the price of an EQUITY INDEX COMPONENT is quoted in a currency other than the EQUITY INDEX CURRENCY.

Any dividends or other distributions are reinvested back into the EQUITY INDEX COMPONENT paying the dividend or other distribution at the opening of the effective date (the so called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

5.2. ACCURACY

The level of the EQUITY INDEX will be rounded to 2 decimal places. Divisors will be rounded to six decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

5.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the EQUITY INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 5.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an EQUITY INDEX COMPONENT and/or may also affect the number of EQUITY INDEX COMPONENTS and/or the weighting of certain EQUITY INDEX COMPONENTS and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

SOLACTIVE will announce the EQUITY INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the Section “Announcements”, which is available at <https://www.solactive.com/news/announcements/>. The EQUITY INDEX adjustments will be implemented on the effective day specified in the respective notice.

5.4. CORPORATE ACTIONS

As part of the EQUITY INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the EQUITY INDEX between two regular REBALANCE



DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the EQUITY INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the EQUITY INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the EQUITY INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the EQUITY INDEX variables.

While SOLACTIVE aims at creating and maintaining its methodology for treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the EQUITY INDEX over time.

SOLACTIVE considers following, but not conclusive, list of corporate actions as relevant for INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)
- > Insolvency



5.5. RECALCULATION

SOLACTIVE makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. SOLACTIVE endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of “a reasonable period of time” as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

5.6. MARKET DISRUPTION

In periods of market stress SOLACTIVE calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more EQUITY INDEX COMPONENTS. The determination of the EQUITY INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.



6. MISCELLANEOUS

6.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX and the EQUITY INDEX shall be limited to (i) exercising routine judgment (in the expert view of the INDEX ADMINISTRATOR) in the administration of the Index rules, provided, however, that such routine judgment does not include deviations or alterations to the Index rules that are designed to improve the financial performance of the Index, (ii) correcting errors in the implementation of the rules or calculations made pursuant to the rules, or (iii) making an adjustment to respond to an unanticipated event outside of SOLACTIVE's control.

6.2. METHODOLOGY REVIEW

The methodology of the INDEX and the EQUITY INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.

Such change in the methodology will be announced on the SOLACTIVE website under the Section "[Announcement](https://www.solactive.com/news/announcements/)", which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX and/or EQUITY INDEX is contained in this GUIDELINE.

6.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR of the method described in this document is final and binding. The INDEX ADMINISTRATOR shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and/or EQUITY INDEX and the method applied to calculate the INDEX and the EQUITY INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The INDEX ADMINISTRATOR is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX ADMINISTRATOR will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.



6.4. TERMINATION

SOLACTIVE makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, SOLACTIVE follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 6.2 “Methodology Review”) in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX and/ or EQUITY INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

SOLACTIVE has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/termination-policy/>.

6.5. OVERSIGHT COMMITTEE

An oversight committee composed of staff from SOLACTIVE and its subsidiaries (the “**OVERSIGHT COMMITTEE**”) is responsible for decisions regarding any amendments to the rules of both the INDEX and the EQUITY INDEX. Any such amendment, which may result in an amendment of the GUIDELINE, must be submitted to the OVERSIGHT COMMITTEE for prior approval and will be made in compliance with the Methodology Policy, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.



7. DEFINITIONS

“AVERAGE DAILY VALUE TRADED” means, in respect of an INDEX COMPONENT, the sum of DAILY VALUE TRADED over the specified period divided by the number of TRADING DAYS that fall in the specified period.

“AVERAGE EARNING YIELD” means, in respect of a security, the average of EARNING YIELD over 3 years.

“BASE PORTFOLIO COMPONENT” is each security in the BASE PORTFOLIO.

“BASE PORTFOLIO REQUIREMENTS” shall have the meaning as defined in Section 3.3.

“BASE PORTFOLIO” is the sum of all financial instruments which fulfill the BASE PORTFOLIO REQUIREMENTS.

“BENCHMARK REGULATION” shall have the meaning as defined in Section “Introduction”.

“BMR” shall have the meaning as defined in Section “Introduction”.

BUSINESS DAY” is every weekday from Monday to Friday.

“CALCULATION DAY” is a day on which the New York Stock Exchange (MIC: XNYS), Euronext Amsterdam (MIC: XAMS), Xetra (MIC: XETR), SIX Swiss Exchange (MIX: XSWX), Paris Stock Exchange (MIC: XPAR), London Stock Exchange (MIC: XLON), Tokyo Stock Exchange (MIC: XTKS) and NASDAQ (MIC: XNAS) are open for general business.

“CLOSE OF BUSINESS” is the calculation time of the closing level of the INDEX and EQUITY as outlined in Section 1.4.

“CLOSING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“DAILY VALUE TRADED” means, in respect of an INDEX COMPONENT and a TRADING DAY, the product of (i) the CLOSING PRICE of such INDEX COMPONENT and (ii) the volume traded (measured as a number of shares) of such INDEX COMPONENT on the EXCHANGE during such TRADING DAY.

“DATA PROVIDER” is Sustainalytics. For more information, please visit: <https://www.sustainalytics.com/>.

“EARNING YIELD” means, in respect of each security, the security's earning per share divided by its stock price as of SELECTION DAY.

“ESG RISK SCORE” is the ESG Risk Score as defined by the DATA PROVIDER. The ESG RISK SCORE ranges from 0 and 100, with 0 indicating that risks have been fully managed (no unmanaged ESG risks) and 100 indicating the highest level of unmanaged risk

“Equity CALCULATION DAY” is every BUSINESS DAY.

“EQUITY INDEX” shall have the meaning as defined in Section “Introduction”.

“EQUITY INDEX COMPONENT” is each security reflected in the EQUITY INDEX.

“Equity INDEX COMPONENT REQUIREMENTS” shall have the meaning as defined in Section 2.4.

“Equity INDEX UNIVERSE” is the sum of all financial instruments which fulfill the EQUITY INDEX UNIVERSE REQUIREMENTS.



“EXCHANGE” means the New York Stock Exchange (MIC: XNYS), Euronext Amsterdam (MIC: XAMS), XETRA (MIC: XETR), SIX Swiss Exchange (MIX: XSWX), Paris Stock Exchange (MIC: XPAR), London Stock Exchange (MIC: XLON), Tokyo Stock Exchange (MIC:XTKS) and NASDAQ(MIC: XNAS)

“FIXING DAY” is SELECTION DAY.

The **“FREE FLOAT”** is with regard to each of the securities fulfilling the EQUITY INDEX COMPONENT REQUIREMENTS on a SELECTION DAY the share class-specific fraction of the total number of shares of such share class issued that are available for trading by market participants and not locked-in by long term holders, as sourced from data vendors.

The **“FREE FLOAT MARKET CAPITALIZATION”** is with regard to each of the securities fulfilling the EQUITY INDEX COMPONENT REQUIREMENTS on a SELECTION DAY the share class-specific free float market capitalization. It is calculated as the multiplication of the shares outstanding in FREE FLOAT (as sourced from data vendors) with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

“GBS INDEX COMPONENT” is each security reflected in the GBS Index specified in Section 2.1.

“GUIDELINE” shall have the meaning as defined in Section “Introduction”.

“HOLDING LIQUIDITY” is defined as the 3-month AVERAGE DAILY VALUE TRADED divided by USD 500 million.

“INDEX” shall have the meaning as defined in Section “Introduction”.

“INDEX ADMINISTRATOR” shall have the meaning as defined in Section “Introduction”.

“INDEX COMPONENT” is each security reflected in the INDEX.

“INDEX CURRENCY” is the currency specified in the column “Currency” in the table in Section 1.2.

“LIVE DATE” is 10/01/2024 for the INDEX and 23/01/2024 for the EQUITY INDEX.

“OVERSIGHT COMMITTEE” shall have the meaning as defined in Section 3.6.

“PERFORMANCE OF THE BASE PORTFOLIO” is the performance of the BASE PORTFOLIO based on its previous composition until SELECTION DAY.

“REBALANCE DAY” is the last BUSINESS DAY of March, June, September and December. If that day is not a TRADING DAY, the REBALANCE DAY will be the following TRADING DAY.

“REFERENCE RATE” is the EURO short-term rate (RIC: EUROSTR=)

“SECTOR” is defined as the first level of the FactSet Industries and Economic Sectors classification.

“SELECTION DAY” is 5 BUSINESS DAYS before the scheduled REBALANCE DAY.

“SOLACTIVE” shall have the meaning as defined in Section “Introduction”.

“START DATE” is 02/10/2014 for the INDEX and 30/09/2013 for the EQUITY INDEX..

“TRADING DAY” is, with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY), a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which



trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The INDEX ADMINISTRATOR is ultimately responsible as to determining whether a certain day is a TRADING DAY.

“**TRADING PRICE**” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

"WM / REFINITIV RATE" shall have the meaning as defined in Section 1.4.

8. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	23 January 2024	Index Guideline creation (<i>initial version</i>)

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